

**808 KAR 1:120. Loans secured by government obligations.**

RELATES TO: KRS 286.3-290(2)

STATUTORY AUTHORITY: KRS 286.3-290(2)

NECESSITY, FUNCTION, AND CONFORMITY: To provide for an exception to the bank lending limits for loans or extensions of credit secured by certain types of government obligations.

Section 1. The lending limits set out in KRS 286.3-280 shall not apply to loans or extensions of credit secured by:

(1) Bonds, notes, certificates of indebtedness, treasury bills, and other direct obligations of the United States; or

(2) General obligations of the Commonwealth of Kentucky.

Section 2. The government obligations listed in Section 1 of this administrative regulation must have a face value at least equal to the total of the principal of the loan or extension of credit, and must mature within five (5) years of the date of the loan or extension of credit. (16 Ky.R. 2810; eff. 7-19-90; TAm eff. 4-21-2007.)